

CITY OF NEWPORT

RESOLUTION NO. 3691

RESOLUTION OF THE CITY OF NEWPORT
DECLARING ITS INTENTION TO
REIMBURSE EXPENDITURES FROM PROCEEDS
OF TAX-EXEMPT OBLIGATIONS

WHEREAS, the City Council of the City of Newport (the "Issuer") desires to finance the costs of improvements to the City's water system, including but not limited to conversion to a new meter reading process and upgrades to the water infrastructure (collectively, the "Project"); and

WHEREAS, the Issuer intends to finance costs of the Project or portions thereof with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Issuer; and

WHEREAS, the City Council of the Issuer has determined that those moneys advanced to pay the Expenditures prior to the issuance of the Obligations are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds of the Obligations.

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. The Issuer hereby states its intention and reasonably expects to reimburse Expenditures of the Project paid prior to the issuance of the Obligations with proceeds of the Obligations.

Section 2. The reasonably expected maximum principal amount of the Obligations is \$4,500,000.

Section 3. This resolution is being adopted no later than 60 days after the date on which the Issuer paid its first Expenditure on the Project to be reimbursed from proceeds of the Obligations (excluding certain preliminary expenditures which may have been paid before that date).

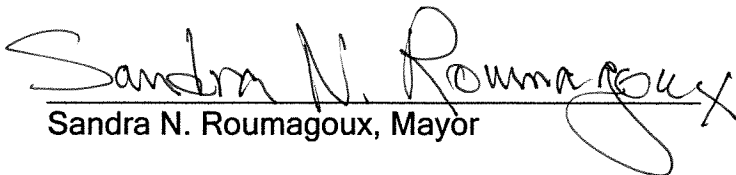
Section 4. The Issuer will make a reimbursement allocation, which is a written allocation that evidences the Issuer's use of proceeds of the Obligations to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid.

Section 5. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Expenditures of the Issuer incurred prior to the date of issue of the Obligations.

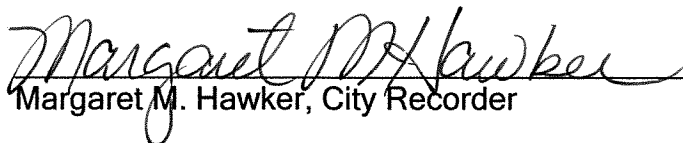
Section 6. The City Manager or his or her designee is hereby authorized to make future declarations of intent to reimburse under Section 1.150-2 of the Federal Income Tax Regulations, on behalf of the Issuer and without further action by the City Council. All such future declarations shall be in writing and the original or a certified copy of each declaration shall be maintained in the public records of the Issuer.

Section 7. Effective Date. This resolution takes effect upon adoption by the City Council.

Adopted by a vote of seven to zero on September 2, 2014.


Sandra N. Roumagoux, Mayor

ATTEST:


Margaret M. Hawker, City Recorder